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Chief, EE

INFO: COM

Chief of Base, Pullach

OPERATIONAL

[ ]'s 28 July Meeting with  
UTILITY at FOB

REF: SBOMN 0982

1. UTILITY was well aware prior to the meeting that [ ] I would discuss (a) BLANK's statements to Ascham regarding ZIPPER/BLANK relations, and (b) a recent letter from UTILITY to [ ] requesting a reduction in KUBARK controls over ZIPPER operations.

COMMENT: On the evening of 27 July I had the opportunity to read UTILITY's "Achtannotiz" on his conversation with HORN. Since these notes were not intended for American eyes, I consider them an accurate description of the report HORN gave. While HORN had described BLANK's remarks to Ascham fairly accurately, he had added that he had not felt it an appropriate time to take issue in any way with BLANK; he had, however, at a latter opportune moment, advised both Ascham and [ ] that BLANK's remarks hardly presented a whole picture; that the coin had two sides. It would appear that HORN is attempting to keep peace with all sides which is fully consistent with his character.

2. [ ] led off with a very clear cut statement of BLANK's charges against ZIPPER, omitting any reference to comments on UTILITY as an individual. These charges, [ ] pointed out, were a matter of considerable concern to Ascham and to him since they represented a distinct threat to our objectives vis-a-vis ZIPPER and UFGROWTH.

3. UTILITY, showing no evidence of being emotionally disturbed by the charges, indicated that he was aware of them since he had been briefed by HORN after his return. He reviewed the history of the BLANK/ZIPPER relationships, maintaining the position that the ZIPPER military product had always been available to BLANK either directly or via HORN, depending on BLANK's own desires on

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the method of handling. However, UTILITY had never been willing, in the absence of specific instructions from the Chancellor, to pass ZIPPER reports to the BLANK office for indiscriminate handling until he received assurances that only persons that were not considered security risks by either BLANK or UTILITY would be involved. There the negotiation inevitably breaks down since no agreement on security of individuals in the BLANK intelligence office has been reached. Again UTILITY emphasized that BLANK and HORN have personally always had the benefit of the ZIPPER final product.

COMMENT: HORN has always gotten the ZIPPER weekly intelligence summary; that he did not pass it on to BLANK was not because of any expressed limitation by ZIPPER (Source: REINER, ZIPPER liaison officer in Bonn). During the absence of BLANK and HORN in the USA these reports were passed to BLANK's aide, BUSKE. Thus, the statement in SBONN 0982, para 1.d. appears to be ~~without factual basis.~~

4. In response to question by [ ] 1, UTILITY expressed the view that BLANK is a sincere, honest, well-motivated and fairly capable individual with whom UTILITY and ZIPPER could and would work once the problem of CAPOTE has been resolved.

COMMENT: This is UTILITY's consistent position on BLANK; however, on several occasions UTILITY has expressed skepticism of BLANK's ability to handle the job of Defense Minister once German participation in Western Defense becomes a reality. BLANK's excessive drinking and its effects on his sense of security as well as his physical and mental stamina has occasionally been the subject of derogatory comment in my presence.

5. Eventually the conversation turned to CAPOTE. UTILITY described his early effort to cooperate with the BLANK office (i.e. CAPOTE) when instructed to do so by UPTHRUST. CAPOTE had "sabotaged" this effort promptly and later, when UTILITY came to consider CAPOTE a security risk; any hope of a rapprochement was gone. In spite of this, UTILITY stated in unequivocal terms, he had not participated in any attacks upon CAPOTE.

6. At this moment [ ] asked UTILITY if he had ever passed derogatory information on CAPOTE to the government. UTILITY immediately replied that he had never passed a derogatory report on CAPOTE to either any government office or to the opposition (i.e. the SPD); the exception to this statement, he added, was on occasions a year or two ago when the Chancellor's office asked him for his view of CAPOTE. UTILITY further stated that he had not been asked to give either written or verbal testimony in the current investigation of CAPOTE "by the BrV" (sic).

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7. There was further discussion of the intrigues that surround this complex situation in Bonn but the above points struck me as the highlights of the conversation. What was accomplished? In the first place, it has been impressed upon UTILITY that KUBARK still wants to see ZIPPER make its peace with BLANK. Secondly, he is aware that we view the charges of political meddling, even if such charges are related to the never-ending intrigue surrounding the CAPOTE and Joseph MUELLER complexes, with disfavor. Thirdly, UTILITY was maneuvered into the position where he was forced to take a firm position on the question of his role in the anti-CAPOTE campaign.

8. From 1949 until 1951 the German Mission was constantly involved in a long and ~~unproductive~~ unproductive harangue over the relative merits of ZIPPER on the one hand and the CAPOTE/CAPILA complex on the other. Base Chiefs' conferences dwelt almost exclusively with this subject. I find it truly shocking to scan back through the files to see the thousands of words of cable traffic and hundreds of pouches that deal with the petty intrigue surrounding the continuing conflict between the ZIPPER and CAPOTE groups. It reflects not only a tremendous waste of communications expenses, but more important, the dissipation of the efforts of a number of our most experienced personnel in an effort that has nothing to do with the production of intelligence and far less with our over-all KUBARK interests than the effort suggests. More than that, the continued intense preoccupation of well-known senior KUBARK staff members with leading personalities on both sides has, in fact, encouraged the continuation of the feud.

9. I think we have greatly exaggerated the importance of the UTILITY/BLANK/CAPOTE relationship. I do not think it merits the attention it is accorded. Intentionally we have refrained from reporting dozens of minor related incidents brought to FOB by the dozen ZIPPERites who muddle around in Bonn coming in contact with the "opposition camp" as [ ] once labelled it. Obviously, CAPOTE and ZIPPER reports to their respective KUBARK contacts are going to be slanted, based on half-truths and highly provocative. When [ ] left Germany two and a half years ago I resolved to bring this play-by-play reporting of the ZIPPER/CAPOTE feud to an end. I see no useful purpose served by FOB carrying out a running disputation of detailed reporting on what BLANK, CAPOTE, [ ] or anyone else in Bonn has said.

10. All Germans in the intelligence business are up to much these days that they do not tell us about. The CAPOTE/ZIPPER feud is, in a sense a herring that has been effectively utilized to concentrate our attention on surface squabbles, while often ignoring matters that are in reality vital to the long-range interests of KUBARK.

11. I have the distinct impression, certainly one that was fortified by my last visit to Washington, that the general alignment of forces and interests in the German intelligence scene is well understood on the German desk and within EE; that the German Mission can, to a considerable degree, rely upon

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during periods in the past when this situation existed that the Bonn/POB views were reconciled without much unnecessary cable traffic between Washington and Germany.

j. I feel that routinely pouched reporting on the background of developments in the ZIPPER/UPGROWTH field is frequently either not available to or not taken into consideration by senior KUBARK officials who do read and are influenced by cable traffic. A periodic re-reading of the entire files on CAPOTE, on the ZIPPER/UPGROWTH history, on the HEUSINGER/BLANK/SCHMERLIN developments since 1949 and on related subjects involved in the development of KUBARK policy vis-a-vis German Intelligence circles provides a pre-requisite perspective for sound interpretation and evaluation developments. Admittedly, this cannot be done by senior KUBARK officials simply because the time is not available; therefore, it seems to be a desk function of greatest importance.

13. I will prepare a separate pouch on subject (b) in para 1 above.

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the accumulation of experience and background that exists in ES today and concentrate its attention less on the controversial figure of CAPOTE, who, as far as I know, has produced no intelligence for KUBARK, and more on the

political officer to ply his way between POB and Bonn. It has only been

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